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RUEHCI/AMCONSUL CALCUTTA 0024  
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RUEHJM/AMCONSUL JERUSALEM 4024  
RUEHKP/AMCONSUL KARACHI 0046  
RUEHBI/AMCONSUL MUMBAI 0051  
RUEHC/DEPT OF LABOR WASHDC  
RUCPDOC/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 AMMAN 006886

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STATE PASS TO USTR KARESH, AROSENBERG, JBUNTIN  
STATE PASS TO DOL JRUDE

E.O. 12958: DECL: 08/30/2016  
TAGS: ELAB ETRD PHUM GTIP KTEX JO IN BG  
SUBJECT: WHERE HAVE ALL THE BANGLADESHIS GONE?

REF: A. AMMAN 4167  
B. AMMAN 5595

Classified By: Ambassador David Hale for reasons 1.4 (b) and (d).

¶1. (SBU) SUMMARY: In an attempt to stem labor violations in Jordan's Qualifying Industrial Zones (QIZs), the Ministry of Labor (MoL) took an informal decision in late May to halt all approvals of work permits for Bangladeshis and overturn any previous approvals for Bangladeshis who had not yet traveled to Jordan. The Indian Embassy took a decision in mid-August to bar Indians from working in Jordan's QIZs by no longer attesting new work permits for Indians. As a result of these actions, individual QIZ factories with previous approvals for Bangladeshi workers or those in immediate need of new foreign workers say they are losing millions in revenue every month, and are unable to meet previously contracted orders for textile shipments. Complicating the problem, the MoL recently issued a number of Bangladeshi work permits for select factories, under pressure from textile business owners. This inconsistent and non-transparent policy of granting some factory owners permits to bring in Bangladeshis is leading to accusations of corruption. A comprehensive long-term solution to labor problems in Jordan will require a more coordinated effort among ministries, the private-sector, and worker rights' representatives. END SUMMARY.

NO MORE TROUBLE

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¶2. (C/NF) In late May, the Ministry of Labor took an informal decision to prevent any new Bangladeshis from working in Jordan's QIZs. Asked why, MoL contacts cited: a preponderance of labor violations committed against Bangladeshi workers, Bangladeshis comprising a majority of the foreign workers with overstay fines, and evidence that recruiters were charging Bangladeshis to come work in Jordan. NOTE: Bangladeshis make up more than half of the 38,000 foreign work force in the QIZs. Additionally, since the publication of the National Labor Committee report, organized Bangladeshis have held work stoppages in numerous factories

demanding restitution for back wages and unpaid overtime (reftel A). END NOTE. Asked August 27 when the ban would be lifted, the MoL Advisor on QIZs gave econoff the vague answer, "once the labor problem is fixed." NOTE: Post has heard recent allegations from contacts at the MoL that the Bangladeshi Embassy may be complicit in the labor problem. Currently, the Bangladeshi mission includes two individuals: an Ambassador and Third Secretary. The Third Secretary is said by the MoL Secretary General and the Minister's Advisor on QIZs to have a financial stake in a Jordan QIZ Factory, and the Ambassador is accused by one MoL contact of being complicit in facilitating Bangladeshi worker movements in exchange for proceeds that the recruiting agencies charge Bangladeshis to come to Jordan. None of these accusations have been substantiated. END NOTE.

¶3. (C/NF) In a conversation with econoff August 18, Indian Ambassador to Jordan R. Dayakar said his government had decided to temporarily ban Indian citizens from taking up new jobs in Jordan's QIZs. NOTE: This conversation with econoff was a follow-up to a discussion in late June in which Dayakar expressed concern about negative reports in Indian newspapers about an Indian who had committed suicide in a Jordanian QIZ factory. Reports alleged that the worker wanted to leave for India, but was not granted access to his passport. The Indian Embassy investigated the matter and met with the factory owner. Though Ambassador Dayakar was worried about the treatment of Indians in all QIZ factories at the time, he told econoff he was satisfied in this particular case with the factory owner's compensation to the deceased worker's family (\$14,000) and with the explanation that the worker's depression and documented medical history of "mental

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"instability" led him to suicide. END NOTE.

¶4. (C/NF) Asked why the ban on Indian labor was being imposed at this time, Ambassador Dayakar said his government was "still under a lot of public pressure" to do something about perceived labor violations against Indians. Additionally, the process by which an Indian is given permission to work in Jordan requires an attestation of the potential employee's character by the Indian Embassy. Concern that this attestation could be perceived as an active role by the Indian Embassy in the exploitation of workers is also something the Indian Ambassador said he "wanted to get away from."

#### EMPTY FLOORS, VACANT POSITIONS HURTING THE SECTOR

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¶5. (C) On August 28, econoff met with Hikmet Alpar Ozyakali, factory manager of Sun Jordan II in the Ad-Dulayl Estate QIZ, who complained of the negative impact the restriction on the worker pool is having on the sector. Currently, Ozyakali has 500 Bangladeshi workers at his factory: 350 of whom he brought in, 120 of whom the GoJ sent him in its recent worker shifts (reftel B), and 30 who came on their own from other factories in search of better work conditions. Ozyakali claimed he has no labor violations and treats his workers well. Ozyakali stated that he had an additional 300 approved Bangladeshi work permits that were recently revoked by the Ministry of Labor. Those workers were to replace workers in Sun Jordan II and fill a new factory, Sun Jordan I. New equipment and raw textiles are sitting on the ground at these factories. According to Ozyakali, each factory is booked to produce between \$2 and \$2.5 million monthly in textile exports (25,000 units) for "The Limited/Express" brand. Because work permits for the Bangladeshis he hoped to bring have been blocked, Ozyakali shipped one month's worth of raw textiles for one factory to Turkey for production. According to Ozyakali, the 34% tariff costs in Turkey alone will cost him approximately \$500,000 which he is hoping the buyer will partially cover.

¶6. (C) In search of a permanent solution to his labor

shortage problem, Ozyakali says he has been instructed by the MoL to go to Sri Lanka to find workers because the Bangladeshis he filed for previously have no chance of being approved. Pursuing this option, Ozyakali says, will take at least two months: two weeks to interview workers in Sri Lanka, and six weeks for Jordan's security clearances to be approved, costing him millions more in lost business.

¶ 17. (SBU) Asked whey he does not employ local Jordanians, Ozyakali said he has some Jordanians in his factory but few are willing to work in Ad-Dulayl, over a one-hour ride from Zarqa, the closest large pool of Jordanian labor. Also, to fill the factory lines, Ozyakali says he needs 300 workers at once; piecemeal labor will not work in the short-term. Ozyakali said his willingness to raise his bank guarantee from 90,000 JD to 500,000 JD (127,000 USD to 705,000 USD) and his pledge to pay overstay fees for any foreign workers have fallen on deaf ears at the Ministry of Labor. What irks him even more, he says, is that he knows other factories are getting small numbers of work permits for Bangladeshis. This practice, he argues, suggests corruption.

¶ 18. (C) In an August 30 phone conversation with econoff, "Jones NY" compliance specialist Kasava Murali (based in Jordan) said the decision to ban Bangladeshi workers could have a major negative impact on the QIZ sector. NOTE: Jones accounts for nearly 20% of all textile export purchases from Jordan's QIZs, and is the only buyer to have a permanent social compliance officer on the ground. To date, the company has not cut back on orders, citing a long-term commitment to Jordan. By placing a permanent representative

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on the ground, their hope is to work with factories from which they source and help bring them up to international labor standards. Jones NY is negotiating an agreement with Solidarity Center to help build union committees in factories that will better organize foreign workers. END NOTE. Murali, with joint responsibility for Jones in Egypt, said that the QIZ textile sector there had doubled in the last year, and that policies like the Bangladeshi worker ban would only accelerate that growth. NOTE: Separately, Murali said, Egypt "is the next Jordan in terms of the NLC report." Labor violations there against Egyptian workers are, according to Murali, "waiting to blow up." END NOTE.

¶ 19. (U) A report August 30 in Al-Ghad, an independent daily, highlighted the business impact that a shortage of foreign workers is creating for the economy. According to the Al-Ghad report, the Irbid Chamber of Industry estimates the labor shortage in the Al-Hassan QIZ to be 3,000 workers. The report states that the labor shortage "is harming investments and is causing factory owners to consider closing down."

GOVERNMENT FOREIGN WORKER TAP CORRODED

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¶ 10. (C) In a discussion with econoff on August 29, MoL Advisor on QIZs Khawla Al-Hassan (protect) expressed her frustration with the Bangladeshi worker ban policy. Accepting that the policy was not a smart approach and a "lot of good factories are now empty and suffering economically," she said there is little clear indication that the policy is going to change. NOTE: Decisions about which factories receive work permits, and how many, are made by a committee comprised of three MoL representatives and one Jordan Investment Board (JIB) representative seconded to the MoL. This committee was established after the NLC report was published in order to demonstrate transparency. According to Hassan, prior to the establishment of the committee, factory owners or Jordanians with influence would seek permission from the Minister of Labor or Secretary General who would sign any requests for foreign workers an individual submitted. END NOTE.

¶ 11. (C/NF) Hassan used the Bangladeshi worker ban policy to

exemplify what she considers a widening labor problem. Hassan accused the MoL Secretary General of being corrupt, taking financial gain from factory owners, and instructing the committee to grant those companies work permits for Bangladeshis. According to Hassan, instead of a transparent committee using an open international formula of granting 2.5 workers permits for every machine that a factory has, the committee issues an inconsistent number of work permits and also to Bangladeshis - in violation of its own ban. To her, this suggests incompetence and outside influence.

Compounding the problem, the Ministry of Interior has yet to approve the 1,000 worker movements that the MoL conducted. This hold-up has forced the MoL to suspend the movement of another 1,000 who are presumably suffering in bad labor conditions. NOTE: Hassan is also the main lead at the MoL for handling worker complaints in the QIZs. Part of her frustration may be tied to slow actions she sees on prosecuting labor violators. As a result, she is having a difficult time dealing with more and more reported cases of labor violations. This week alone, she cited 13 Chinese women who are being deported against their will after filing a complaint with the MoL last week, 26 Sri Lankan women who complained of sexual harassment, bad food, and no wages and who are sleeping in the labor offices at Ad-Dulayl estate, and 55 Bangladeshi workers who Hassan says she is being forced to deport because she feels the Bangladeshi Embassy attempted to exploit the MoL's plan to move them from a bad factory for financial gain.

¶12. (C) COMMENT: While it is difficult to distinguish the

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wheat from the chaff as everyone levels corruption charges against one another, the negative economic impact of barring certain foreign workers in the QIZs is evident. Poor means of coordinating work permit issuance with the Ministry of Interior also contributes to the inability to bring in other foreign workers in a timely manner. As a result, vague regulation and lack of clear communication by the government are leading some in the private sector to resort to desperate means to obtain workers.

¶13. (C) Caught off-guard with the NLC report, the government's response to labor problems has been and remains reactive. In chasing after each individual fire, not enough attention has been paid to the possibility that certain GoJ actions are actually stoking a larger labor problem. Almost all of the responsibility to fix the problem has been given (or taken) by the Minister of Labor. Long-term solutions will require more than one stakeholder, and a long-term vision which involves active inter-ministry cooperation, as well as an open line of communication with the private sector and worker rights' organizations.

HALE